

(ii) The individual waives Basic insurance.

(4) The Option B benefit payable upon the death of a reemployed annuitant is the amount in effect as an annuitant, unless he/she elected to have Option B as an employee.

(5) Except as provided in paragraph (e) of this section, the Optional insurance obtained as an employee stops, with no 31-day extension or conversion right, on the date reemployment terminates. The amount of suspended Optional insurance which remains in force after applicable monthly reductions after age 65 (and corresponding withholdings) is reinstated on the day after reemployment terminates.

(e) Optional life insurance obtained during reemployment may be continued after the reemployment terminates if the annuitant:

(1) Qualifies for a supplemental annuity or receives a new retirement right;

(2) Continues his/her Basic life insurance under paragraph (a) (2), (3), or (4) of § 870.702; and

(3) Has had Optional insurance as an employee for at least the 5 years of service immediately before separation from reemployment or for the full period(s) of service during which it was available to him/her, whichever is less.

(f) If Optional insurance obtained during reemployment is continued as provided in paragraph (e) of this section, any suspended Optional insurance stops, with no 31-day extension of coverage or conversion right.

(g) If a reemployed annuitant waives life insurance as an employee, the waiver also cancels his/her life insurance as an annuitant.

[62 FR 48731, Sept. 17, 1997; 62 FR 52181, Oct. 6, 1997. Redesignated at 64 FR 72463, Dec. 28, 1999]

§ 870.708 MRA-plus-10 annuitants.

(a) The Basic insurance of an individual whose coverage terminates under § 870.601(b), and who meets the requirements for continuing Basic insurance after retirement as stated in § 870.701(a), resumes on the starting date of annuity or on the date OPM receives the application for annuity, whichever is later. The individual must file an election as provided in § 870.701(c) so that OPM receives it

within 60 days after OPM mails a notice of insurance eligibility and an election form.

(b) Optional insurance of an individual whose coverage terminates under § 870.602(b), and who meets the requirements for continuing Optional insurance after retirement under § 870.701(e), resumes on the starting date of annuity or on the date OPM receives the application for annuity, whichever is later.

[62 FR 48731, Sept. 17, 1997. Redesignated at 64 FR 72463, Dec. 28, 1999]

Subpart H—Order of Precedence and Designation of Beneficiary

§ 870.801 Order of precedence and payment of benefits.

(a) Except as provided in paragraph (d) of this section, benefits are paid according to the order of precedence stated in 5 U.S.C. 8705(a), as follows:

(1) To the designated beneficiary (or beneficiaries);

(2) If none, to the widow(er);

(3) If none, to the child, or children in equal shares, with the share of any deceased child going to his/her children;

(4) If none, to the parents in equal shares or the entire amount to the surviving parent;

(5) If none, to the executor or administrator of the estate;

(6) If none, to the next of kin according to the laws of the State in which the insured individual legally resided.

(b) If an insured individual provides in a valid designation of beneficiary for insurance benefits to be payable to the insured's estate, or to the Executor, Administrator, or other representative of the insured's estate, or if the benefits would otherwise be payable to the duly appointed representative of the insured's estate under the order of precedence specified in 5 U.S.C. 8705(a), payment of the benefits to the duly appointed representative of the insured's estate bars recovery by any other person.

(c) Option A and B insurance in force on a person on the date of his/her death is paid, on receipt of a valid claim, in the same order of precedence and under the same conditions as Basic insurance. A designation of beneficiary for Basic insurance is also a designation of